



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Administration Committee

DATE: April 1, 2009

FR: Executive Director

RE: Contracts: Ancillary Audits and Consulting Services:

- (i) Caporicci & Larson CPA
- (ii) Deloitte & Touche LLP
- (iii) KPMG LLP
- (iv) Macias, Gini & O'Connell LLP
- (v) Williams, Adley & Company

In December 1, 2008 the Metropolitan Transportation Commission (MTC) issued a Request for Qualifications (RFQ) for the purpose of selecting multiple audit firms to perform assurance, audit and consulting services for MTC, the MTC Service Authority for Freeways and Expressways (MTC SAFE), and the Bay Area Toll Authority (BATA) for the fiscal year ending June 30, 2010. The current contracts with Caporicci & Larson CPA and KPMG LLP expire on June 30, 2009, after a 5 year agreement. MTC will rotate the engagements among the selected firms based on MTC's needs, firm expertise, and auditor staff availability. The RFQ authorizes a one year contract with the option to renew the contract for up to four additional one-year terms.

Six firms responded to the invitation and all advanced to the interview process held on February 24, 2009. They were:

Armanino McKenna LLP
Deloitte & Touche LLP
Macias, Gini & O'Connell LLP

Caporicci & Larson CPA
KPMG LLP
Williams, Adley & Company, LLP

The evaluation panel, consisting of the Chief Financial Officer and two Finance staff, conducted interviews. The qualification criteria included:

- Firm expertise and experience in conducting assurance, audit and consulting services of government agencies including transportation agencies.
- Individual staff expertise and experience.
- Firm's ability to commit and devote the necessary resources to complete the engagements.
- The Statement of Qualifications response and interview presentation.

Based on the evaluation of the written proposals and interviews, the panel unanimously recommends the selection of the following five firms to perform the assurance, audit and consulting services for MTC, MTC SAFE and BATA :

Caporicci & Larson CPA
Deloitte & Touche LLP
KPMG LLP
Macias, Gini & O'Connell LLP
Williams, Adley & Company

The sixth firm, Armanino McKenna LLP is not included because they lack a direct government practice.

Consistent with the terms of the RFQ, MTC may enter into contracts with one or more of these firms. Our request today would authorize such contracts to be in any amount, as long as the total for the five firms does not exceed \$300,000.

The recommendation to select the above five firms has been discussed with the Audit Committee.

Recommendation

Staff recommends that this Committee authorize the Executive Director or his designated representative to negotiate and enter into contracts with any or all of the five firms listed above in cumulative amounts not to exceed \$300,000, subject to annual budget approvals, to perform the assurance, audit and consulting services for MTC, MTC SAFE and BATA for the fiscal year ending June 30, 2010 with a renewal option for up to four additional one-year terms. The Executive Director or his designated representative may assign the audit engagements to any of these firms based on MTC's requirements, firm expertise, and staff availability as long as the total amount to one or all five firms does not exceed \$300,000.

Steve Heminger

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REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Audit Contracts

Work Item No.: 1152

Consultant: Caporicci & Larson CPA, Oakland, CA
Deloitte & Touche LLP, San Francisco, CA
KPMG LLP, San Francisco, CA
Macias Gini & O'Connell LLP, Walnut Creek, CA
William, Adley & Company, Oakland, CA

Work Project Title: Attestation audits and Consulting services for FY 2009-10

Purpose of Project: Obtain services of Independent Auditor

Brief Scope of Work: To perform assurance, audit and consulting services for MTC, MTC SAFE and BATA.

Project Cost Not to Exceed: \$300,000 for all contracts.

Funding Source: STA/TDA \$100,000; BATA \$200,000

Fiscal Impact: Subject to approval of FY 2009-10 Operating Budget

Motion by Committee: That the Executive Director or his designated representative is authorized to negotiate and enter into contracts with the above five firms in cumulative amounts not to exceed \$300,000, to perform the assurance, audit and consulting services for MTC, MTC SAFE and BATA for fiscal year ending June 30, 2010 with renewal option for up to four additional one-year terms. The Executive Director or his designated representative may assign the audit engagements to any of these firms based on MTC's requirements, firm expertise, and staff availability as long as the total amount to one or all five firms does not exceed \$300,000. The Chief Financial Officer is authorized to set aside funds for such contracts.

Administration Committee:

Dave Cortese, Vice Chair

Approved: Date: April 8, 2009